



RECORD HIGH SALES WITH IMPROVED PROFIT IN 2021

Q4 AND FULL-YEAR RESULTS 2021

FEBRUARY 8, 2022

JUKKA MOISIO – CEO
TEEMU KANGAS-KÄRKI – CFO

**nokian[®]
TYRES**

ALL-TIME HIGH QUARTERLY NET SALES IN Q4

- **Net sales EUR 512.6 million (413.4), +18.4% with comparable currencies**
 - Demand continued strong in main markets
 - Net sales increased in all business units and areas
- **Segments operating profit EUR 88.0 million (80.1)**
 - Driven by higher sales volume
 - Price increases to combat cost inflation, leading to higher ASP



STRONG PERFORMANCE ACROSS THE ORGANIZATION IN 2021

- **Net sales EUR 1,714.1 million (1,313.8), +29.7% with comparable currencies**
 - Record high full year net sales
 - All business units and areas contributed to the growth
 - Heavy Tyres reached an all-time high full year net sales and segment operating profit
 - Market position strengthened in all key areas
- **Segments operating profit EUR 324.8 million (190.2)**
 - Driven by increased sales volume
 - Tackling cost inflation with price increases and careful cost control
- **The Board proposes a dividend of EUR 1.32 per share to be paid in two instalments**






STRONG CASH FLOW, FY2021 CAPEX BELOW 2020 LEVEL

Balance sheet continues to be strong

EUR million	10-12 /21	10-12 /20	Change	CC* Change	2021	2020	Change	CC* Change
Net sales	512.6	413.4	24.0%	18.4%	1,714.1	1,313.8	30.5%	29.7%
Segments operating profit	88.0	80.1			324.8	190.2		
Segments operating profit %	17.2%	19.4%			19.0%	14.5%		
Segments EPS, EUR	0.49	0.44			1.84	1.04		
Segments ROCE, %					15.8%	9.3%		
Equity ratio, %					68.4%	65.3%		
Cash flow from operating activities	492.6	429.0			396.5	422.4		
Gearing, %					-6.1%	-1.1%		
Interest-bearing net debt					-98.7	-17.2		
Capital expenditure	60.1	31.6			119.6	149.9		

* Comparable currencies

SOLID PROGRESS TOWARDS OUR FINANCIAL TARGETS ANNOUNCED IN SEPTEMBER 2021

		Mid-term target	Performance in 2021
	GROWING FASTER THAN THE MARKET	Net sales EUR 2 billion	EUR 1,714 million
	HIGH RETURNS & PROFITABILITY	Segments Operating Profit ~ 20%* Segments ROCE ~ 20%*	19.0% 15.8%
	GROWING ORDINARY DIVIDEND	>50% of net earnings	EUR 1.32, 90% of net earnings (2020: EUR 1.20; 193%)

**Using constant currency rates of H1/2021
and key factor being Russian ruble*

Q4: PASSENGER CAR TYRES

Strong volume growth continued

	10-12 /21	10-12 /20	Change	CC* Change	2021	2020	Change	CC* Change
Net sales, M€	342.8	262.0	30.8%	24.2%	1,199.2	871.3	37.6%	37.8%
Segment operating profit, M€	77.7	66.5			298.7	177.8		
Segment operating profit, %	22.1%	25.4%			24.9%	20.4%		

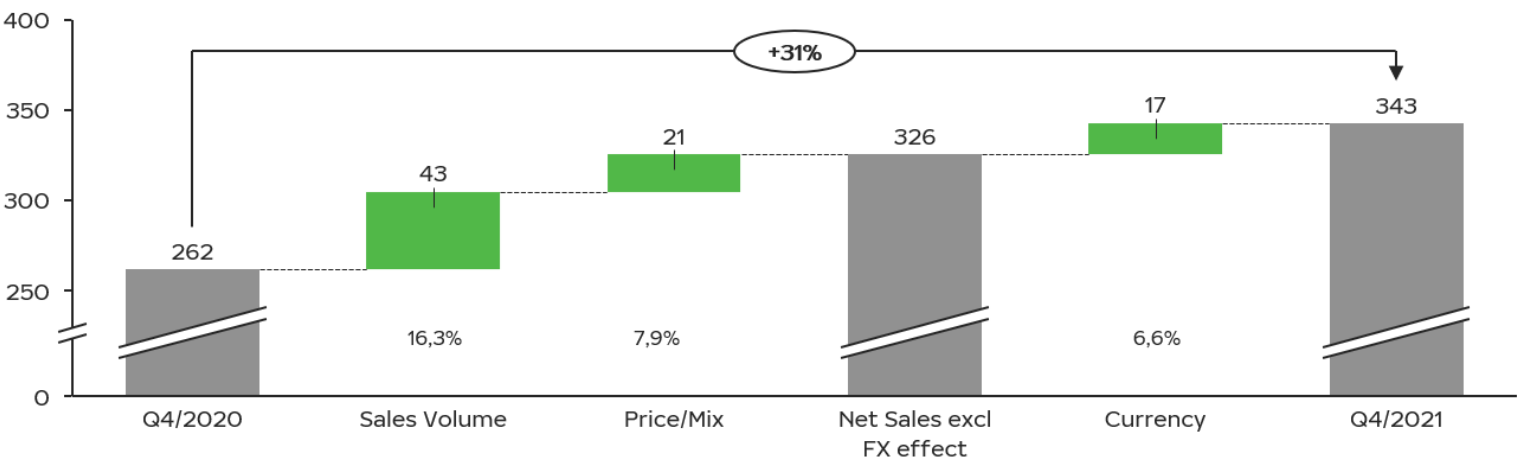
* Comparable currencies

- Net sales grew in all main markets
- Average Sales Price with comparable currencies improved
- Segment operating profit increased driven by higher sales volume
 - Higher raw material and other cost inflation were partly offset by price increases
- In 2021, the Russian factory ran at full capacity, more shifts were added to the Finnish and US factories to increase production
 - Finnish factory moved into an uninterrupted three-shift system as of 2022

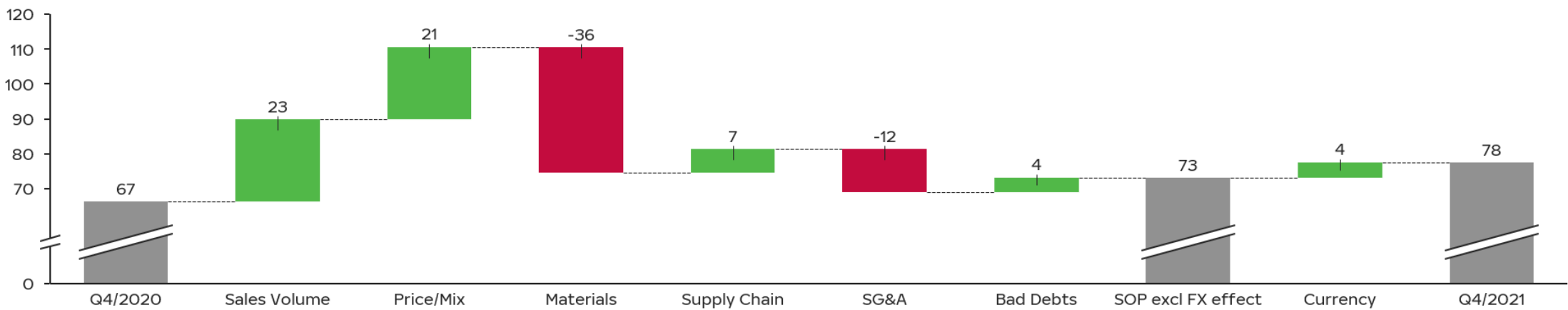
Q4: PASSENGER CAR TYRES BRIDGE

Cost inflation was partly offset by price increases

NET SALES, M€



SEGMENT OPERATING PROFIT, M€



Q4: HEAVY TYRES

Strong sales growth, FY net sales and operating profit at all-time high

	10-12 /21	10-12 /20	Change	CC* Change	2021	2020	Change	CC* Change
Net sales, M€	65.3	53.2	22.8%	19.2%	254.0	194.6	30.5%	28.9%
Segment operating profit, M€	4.1	5.0			40.3	23.7		
Segment operating profit, %	6.2%	9.5%			15.9%	12.2%		

* Comparable currencies

- Q4 net sales grew by 19.2% with comparable currencies
 - Driven by new product launches and strong demand in all product segments
- Segment operating profit decreased
 - Higher raw material and other cost inflation were partly offset by price increases
- Inventories are at a low level
- Excellent development in safety: 2 years without lost-time injuries

Q4: VIANOR

Good sales performance in all operating countries

	10-12 /21	10-12 /20	Change	CC* Change	2021	2020	Change	CC* Change
Net sales, M€	123.1	115.4	6.7%	2.8%	342.9	318.1	7.8%	4.2%
Segment operating profit, M€	8.4	10.0			4.1	4.0		
Segment operating profit, %	6.8%	8.7%			1.2%	1.3%		
Number of own service centers at period end					175	174		

* Comparable currencies

- Net sales increased by 2.8% with comparable currencies
- Segment operating profit was EUR 8.4 million (10.0), some operative one-off items were recorded in the quarter
- At period end, Vianor had 175 own service centers in Finland, Sweden and Norway

WE HAVE LAUNCHED A RECORD NUMBER OF NEW PRODUCTS IN 2020-2021 – AND THIS WILL CONTINUE

Examples

Nokian Tyres One HT
Nokian Snowproof P
Nokian Seasonproof
Nokian Seasonproof SUV
Nokian Hakka Green 3



Nokian Tyres One



Nokian Nordman 8
Nokian Nordman 8 SUV



Nokian Ground Kare
Semi-Slick



Nokian Nordman SX3



Nokian Tyres
Hakkapeliitta C4
Hakkapeliitta CR4



Nokian Tyres
Hakkapeliitta R5

2020

2021

Nokian Nordman S2
Nokian Nordman SZ2
Nokian Hakka Van



Nokian Hakkapeliitta 10
Nokian Hakkapeliitta 10 SUV
Nokian Hakkapeliitta 10 EV
Nokian Hakkapeliitta 10 P



Nokian Seasonproof C
Nokian Snowproof C



Nokian Hakka Truck
Trailer



Nokian TR Forest 2



Nokian Hakka Blue 3
Nokian Hakka Blue 3 SUV



Nokian Tyres
Outpost AT

WE WILL FURTHER IMPROVE OUR SUSTAINABILITY PERFORMANCE THROUGH NEW NON-FINANCIAL TARGETS...

FOCUS AREAS		TARGETS
1	Safe and eco-friendly tires	Increasing the share of recycled or renewable raw materials in tires to 50% by 2030
2	Climate	Reducing CO ₂ emissions from tire production by more than 50% by 2030 (base year 2015)
3	Safety	Decreasing accident frequency (LTIF) from 8.3 (2018) to 1.5 by 2025
4	Human rights	Sustainability auditing 100% of significant high-risk suppliers by 2025
5	Personnel well-being	Developing human rights policies

Management team incentives will be partially tied to the climate target as of 2022

All non-financial targets can be found at www.nokiantyres.com/company/sustainability/fundamentals/our-targets-and-achievements/

...AND WE WILL ANNUALLY REPORT ON OUR PROGRESS ACHIEVING THOSE TARGETS

FOCUS AREAS		TARGETS	STATUS IN 2021
1	Safe and eco-friendly tires	Increasing the share of recycled or renewable raw materials in tires to 50% by 2030	25% in selected tires*
2	Climate	Reducing CO ₂ emissions from tire production by more than 50% by 2030 (base year 2015)	To be reported in Sustainability Report
3	Safety	Decreasing accident frequency (LTIF) from 8.3 (2018) to 1.5 by 2025	LTIF 4.1 (3.7)
4	Human rights	Sustainability auditing 100% of significant high-risk suppliers by 2025	65% audited
5	Personnel well-being	Developing human rights policies	Equality score** in the personnel survey: 66

* Scope: Tires in the EU Tyre labeling classification for rolling resistance in A or B class and with ice grip marking

** Scale 0-100. Global benchmark 72. Figure does not include Vianor, total results will be confirmed in February

LEADING THE WAY TO MORE SUSTAINABLE DRIVING

NOKIAN TYRES **GREEN STEP** CONCEPT TIRE

Masterpiece of
sustainability innovation:
93% of materials recycled
or renewable

Innovations created for
the concept tire will be
incorporated in
future tires



NOKIAN TYRES **SUSTAINABLE TIRE INNOVATION CHALLENGE**

- Fast race, big change -

Open competition
to fight climate change and
to accelerate innovation for
sustainable tires

For students, startups,
academics and
businesses

WE ARE INNOVATING FOR A BETTER FUTURE.

ASSUMPTIONS FOR 2022

- **Replacement car tire demand** expected to grow
- Demand for **Nokian Heavy Tyres' core products** estimated to continue strong
- Uncertainties due to **COVID-19 pandemic, current geopolitical situation and Russian ruble**
 - Average EUR/RUB: 72.5 in 2019, 82.7 in 2020, 87.2 in 2021, 85.3 in the beginning of 2022
- **Raw material and logistics costs** estimated to increase significantly especially in H1 2022
- **Capex** on an annual rolling basis EUR ~150 million



GUIDANCE FOR 2022

In 2022, Nokian Tyres' net sales with comparable currencies are expected to grow significantly and segments operating profit is expected to grow.

The global car and tire demand is expected to grow. The COVID-19 pandemic continues to cause uncertainties, including cost inflation and availability challenges, in the whole automotive value chain. In addition, current geopolitical situation causes uncertainties in 2022.



NOKIAN TYRES' REVISED GROWTH STRATEGY: AMBITIOUS LEAP FORWARD

PURPOSE

EMPOWER THE WORLD TO DRIVE SMARTER

MID-TERM TARGETS

**EUR
2 BILLION**
NET SALES

WE DRIVE TOPLINE WITH NEW PRODUCTS
AND STRONGER GO-TO-MARKET

BUSINESS AREA AND UNIT ROLES

- **NORDICS & VIANOR:** Strengthen **#1** position
- **RUSSIA:** Strengthen **#1** position
- **CENTRAL EUROPE:** Grow sales by **~50%**
- **NORTH AMERICA:** Grow sales by **~100%**
- **HEAVY TYRES:** Grow sales by **~50%**

FINANCIAL TARGETS

- Growing faster than the market
- High returns & profitability: Segments Operating Profit & Segments ROCE at the level of **20%**
- Growing ordinary dividend: **>50%** of net earnings

FIVE CORNERSTONES for our success



**SAFEST TIRES
FOR ALL
CONDITIONS**



**RESPONSIVE AND
EFFECTIVE
SUPPLY CHAIN**



**CONSUMER-
TRUSTED
PREMIUM BRAND**



**LEADER IN
SUSTAINABILITY**



**NOKIAN TYRES
TEAM**

VALUES

WE



Care



Drive
innovation



Deliver
high results

TOGETHER

**nokian
TYRES**













An aerial, top-down view of a white car driving on a snow-covered road. The road has visible tire tracks and is flanked by a snowy landscape with scattered evergreen trees. A wire fence is visible on the left side of the road. The text "THANK YOU!" is centered over the car.

THANK YOU!

nokian
TYRES

APPENDIX

CAR AND TIRE MARKETS IN 2021

The Nordic countries		Russia		Europe (excl. the Nordic countries)		North America	
 New car sales	9%	 New car sales	4%	 New car sales	-2%	 New car sales	4%
 Car tire sell-in	10%	 Car tire sell-in	30%	 Car tire sell-in	11%	 Car tire sell-in	17%
 Heavy tire segments*	➡	 Heavy tire segments*	➡	 Heavy tire segments*	➡	 Heavy tire segments*	➡

* Nokian Tyres' core product segments

GROUP SEGMENTS OPERATING PROFIT PER QUARTER 2017–2021*

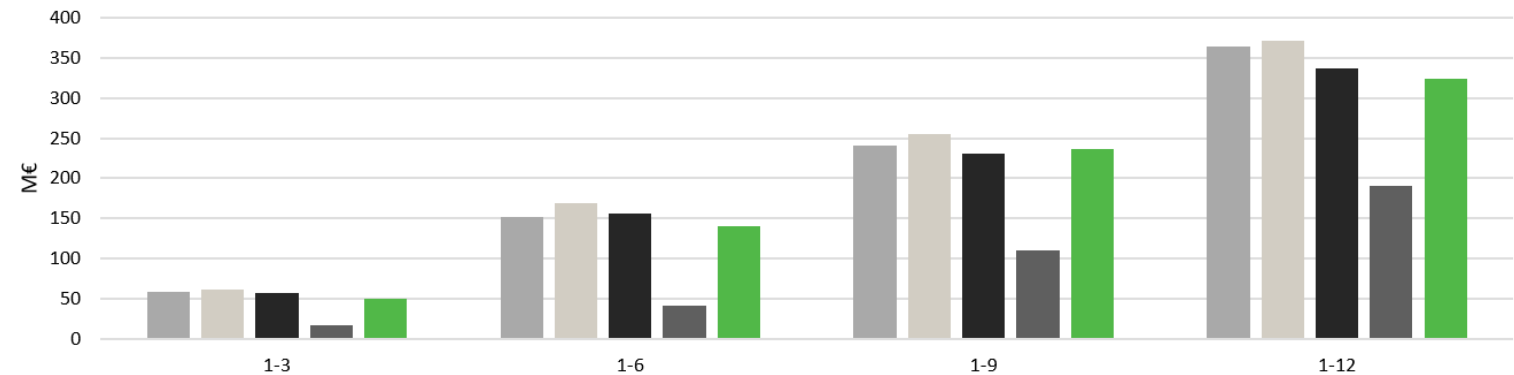
2021

- Net sales 1,714.1 M€
(1,313.8), 30.5%
- Segments operating profit
324.8 M€ (190.2)

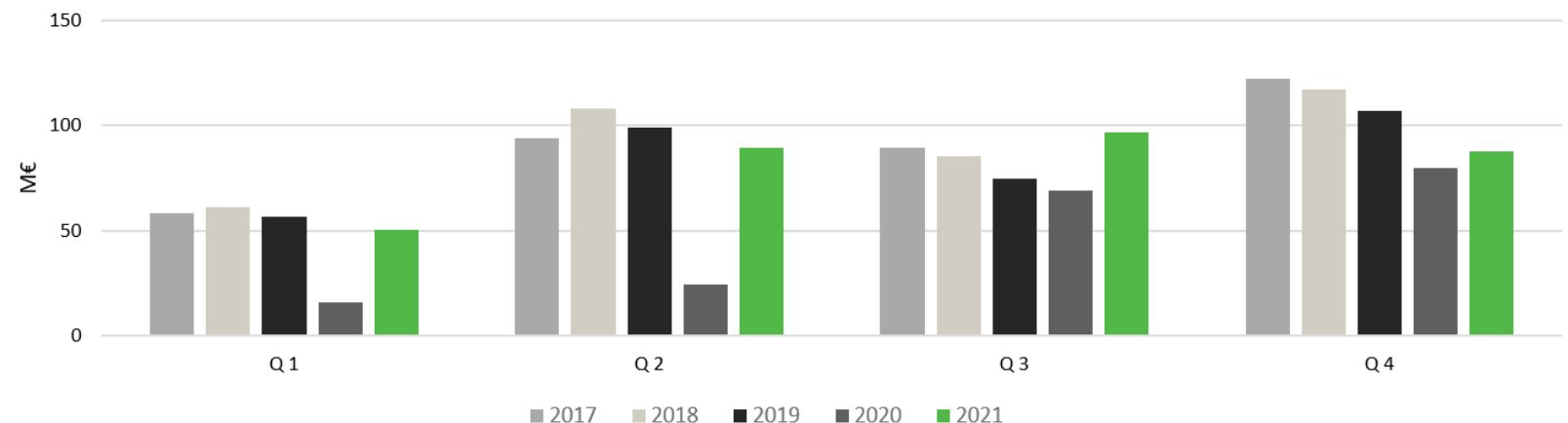
10–12/2021

- Net sales 512.6 M€
(413.4), 24.0%
- Segments operating profit
88.0 M€ (80.1)

CUMULATIVE SEGMENTS OPERATING PROFIT PER REVIEW PERIOD



SEGMENTS OPERATING PROFIT PER QUARTER

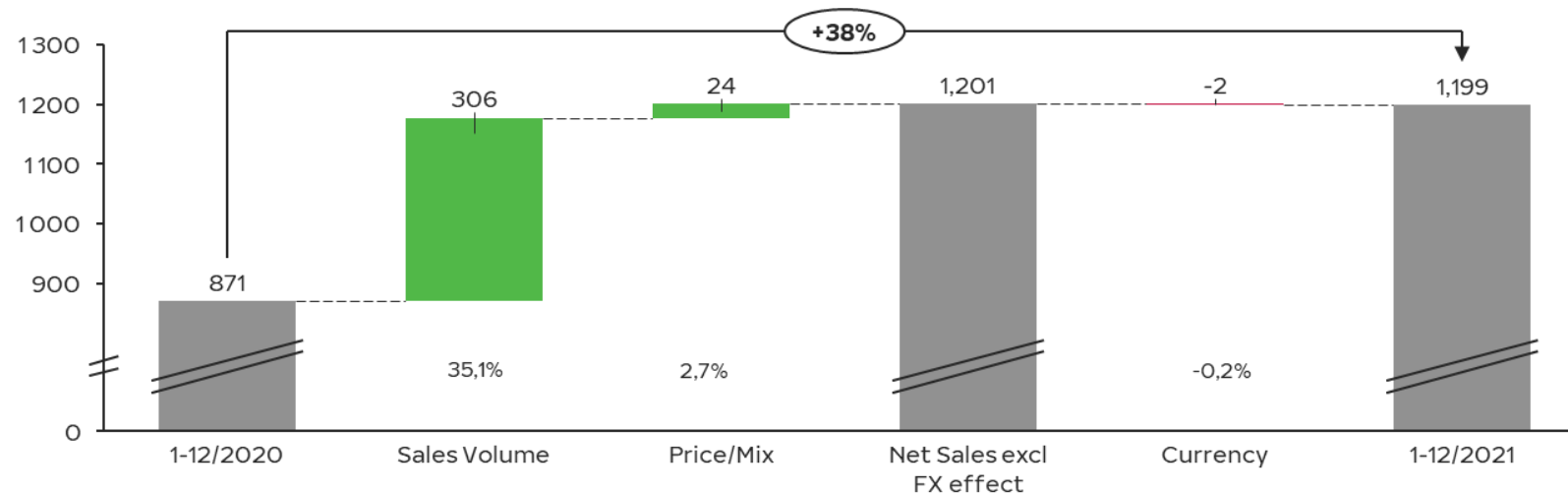


*Comparable segments operating profit figures for 2019–2021, earlier years reported based on IFRS

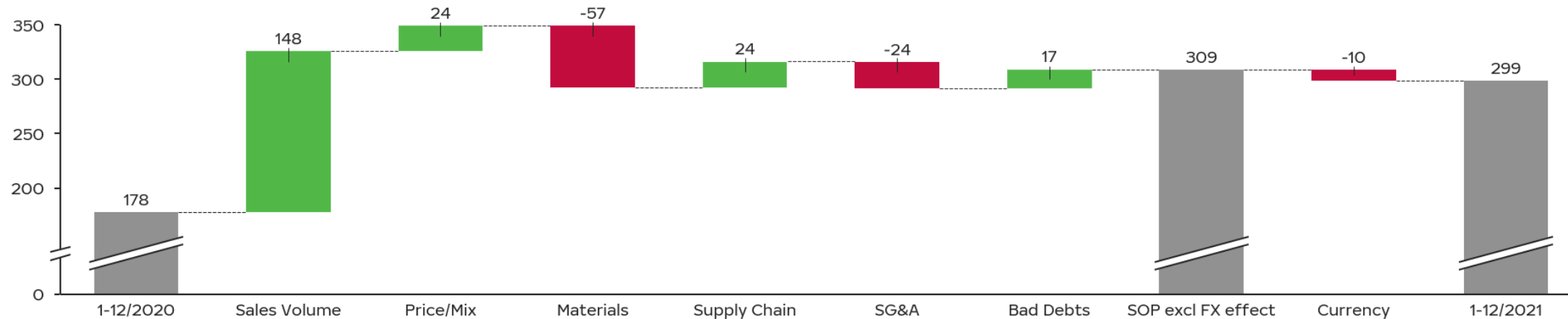
2021: PASSENGER CAR TYRES BRIDGE

Higher sales volume impacted segment operating profit by EUR 148 million

NET SALES, M€



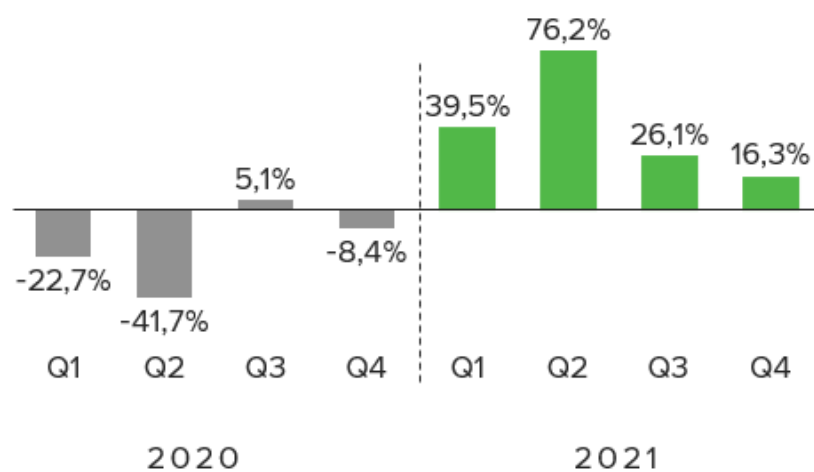
SEGMENT OPERATING PROFIT, M€



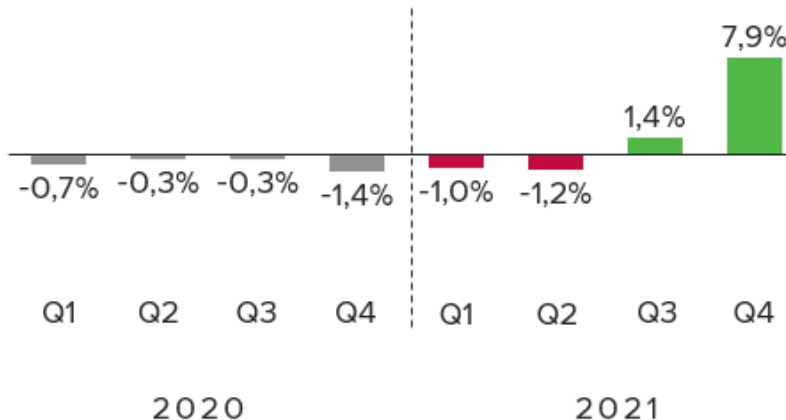
PASSENGER CAR TYRES NET SALES - QUARTERLY CHANGES

YoY Change %

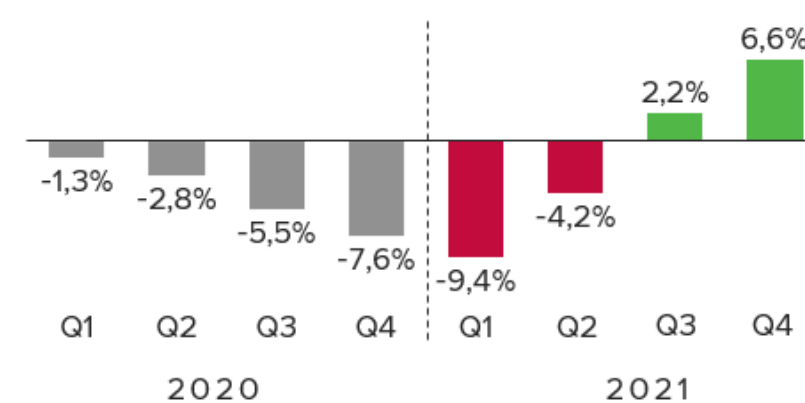
Sales Volumes



Price / Mix



Currency



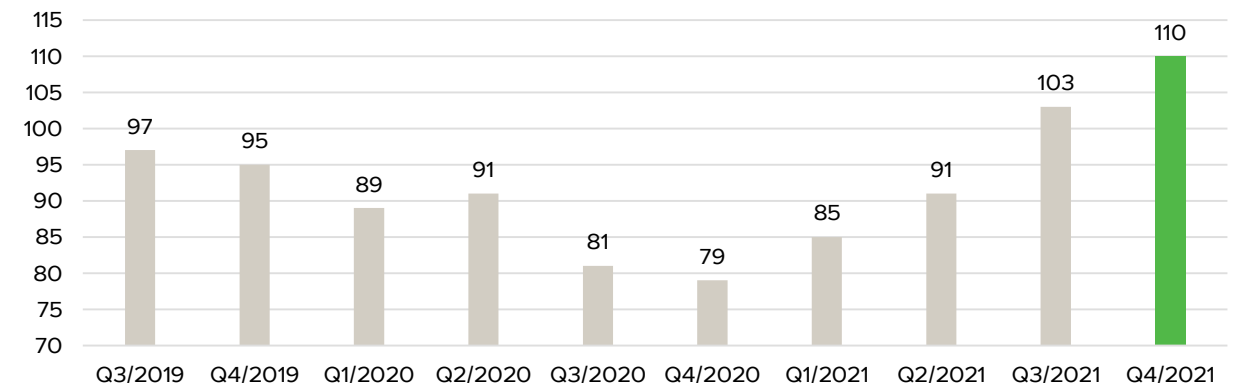
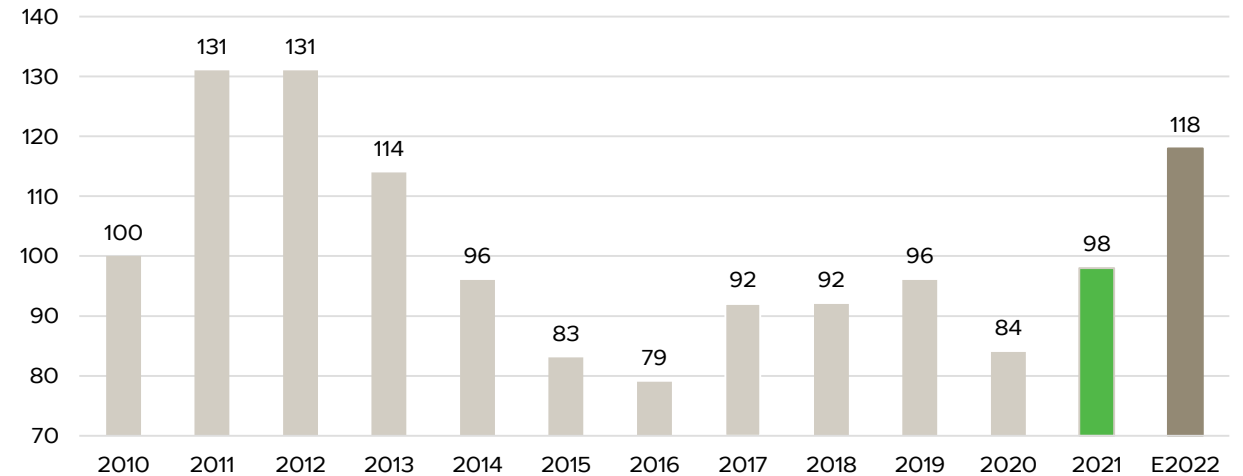
MATERIAL COST DEVELOPMENT

Increased in 2021

MATERIAL COSTS (€/KG)

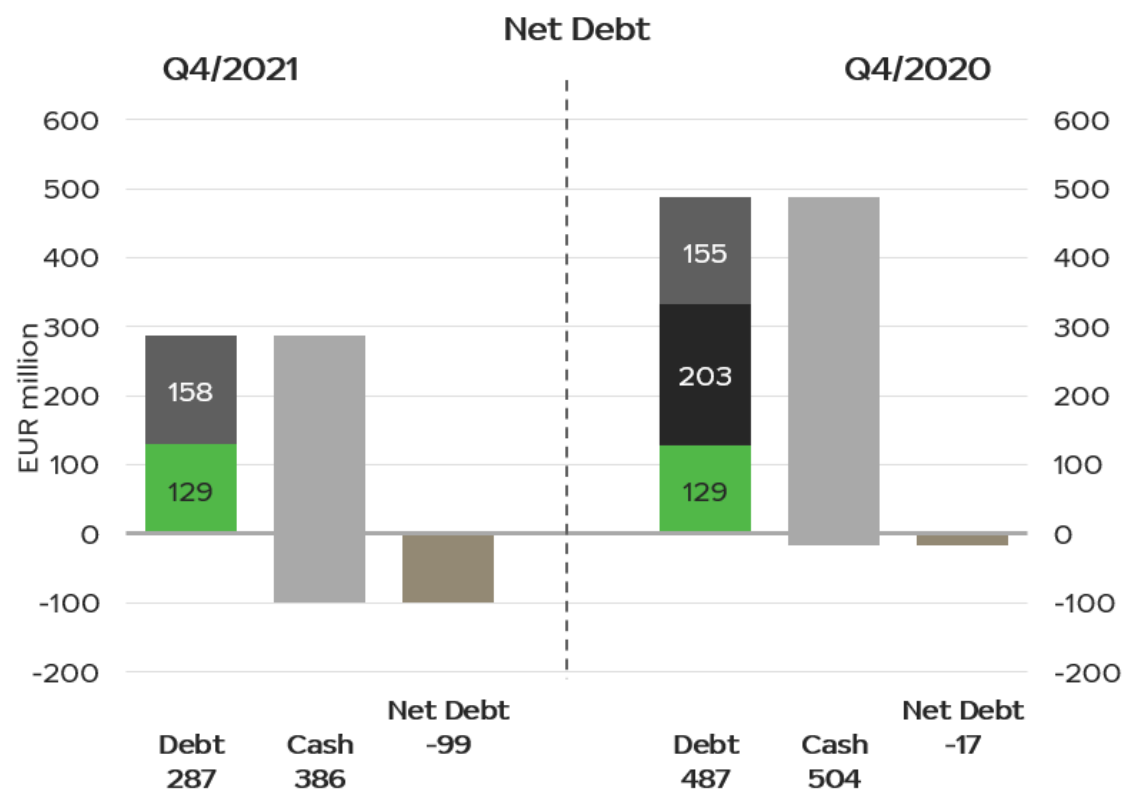
- Increased by 39.4% in Q4/2021 vs. Q4/2020
- Increased by 6.9% in Q4/2021 vs. Q3/2021
- Increased by 16.4% in 2021 vs. 2020

MATERIAL COST DEVELOPMENT INDEX 2010-E2022

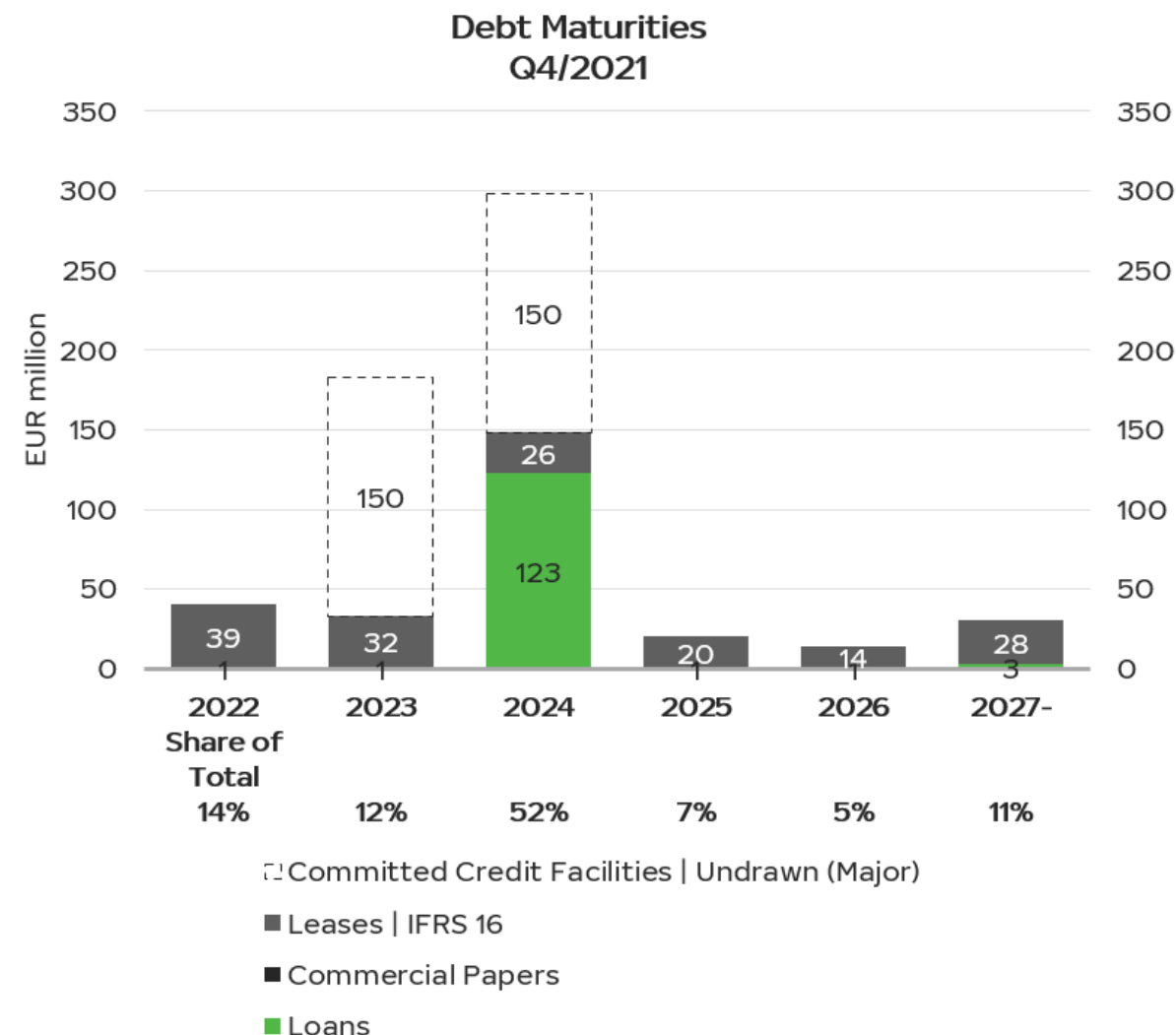


Incl. raw and other materials in reported currencies

NET DEBT AND DEBT MATURITIES



Available liquidity, EUR million	Q4/2021	Q4/2020
Cash	386	504
Committed undrawn credit facilities	305	205
Total	691	710



NETWORK DEVELOPMENT

Vianor, NAD, N-Tyre; -20 stores in 2021

VIANOR – 1,047 SERVICE CENTERS IN 14 COUNTRIES

175 own stores and 872 partners

Own +1, partner -71 vs. year-end 2020

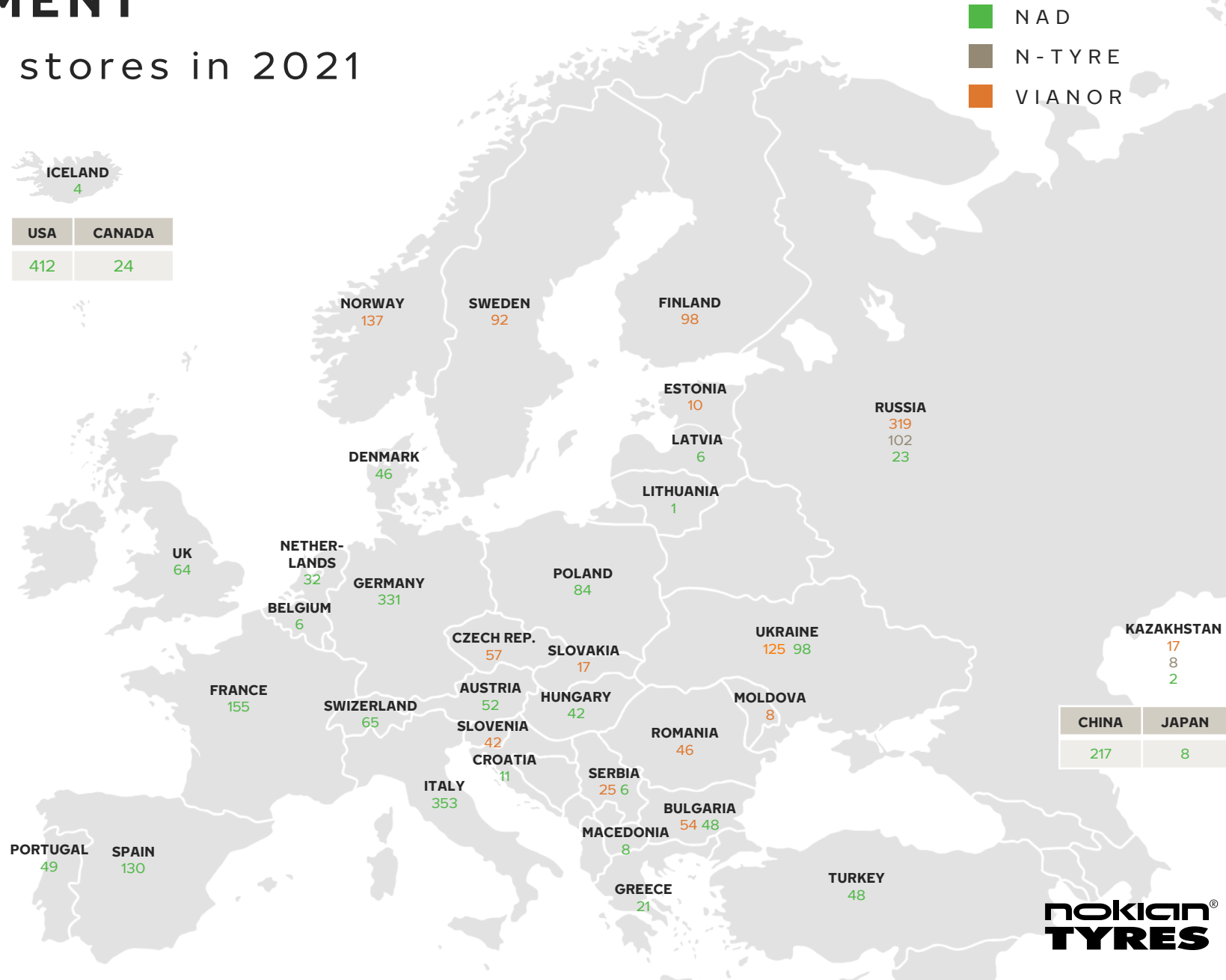
- Largest tire chain in the Nordic countries: 337 service centers (+11 vs. year-end 2020)
- Largest tire chain in Russia and CIS: 336 service centers (-43 vs. year-end 2020)
- Central Europe: 374 service centers (-38 vs. year-end 2020)

NOKIAN TYRES AUTHORIZED DEALERS (NAD) – 2,346 STORES

- In 25 European countries, North America, China and Japan
- +64 stores vs. year-end 2020

N-TYRE – 110 STORES

- In Russia and Kazakhstan
- -14 stores vs. year-end 2020



An aerial photograph of a car driving on a snowy road through a forest. The road is covered in snow with visible tire tracks. The surrounding area is a dense forest of evergreen trees, many of which are heavily laden with snow. The overall scene is a winter landscape.

nokian[®] TYRES

Disclaimer

Statements in this presentation, which are not historical facts, such as expectations, anticipations, beliefs and estimates, are forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. Such statements involve risks and uncertainties which may cause actual results to materially differ from those expressed in such forward-looking statements. Nokian Tyres assumes no responsibility to update any of the forward-looking statements contained herein. No representation or warranty, express or implied, is made or given by or on behalf of Nokian Tyres or its employees or any other person as to the accuracy, completeness or fairness of the information or opinions contained in this presentation.

nokian[®]
TYRES